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PRESS RELEASE

PRIVATE MONEY DOMINATES FOREIGN AID USAID HAS MORE THAN 600 PRIVATE PARTNERSHIPS

Following is the text of a U.S. Agency International Development (USAID) press release issued February 12 explaining the large role the private sector has in U.S. foreign aid efforts:

Private [U.S.] providers -- foundations, nongovernmental, faith-based and community organizations as well as corporations and educational institutions -- are bringing the bulk of humanitarian funds to the world's needy nations. At least 80 percent of today's assistance comes from nonpublic sources, up from 30 percent 40 years ago, said Kent Hill, USAID's assistant administrator for Global Health.

More than 600 USAID partnerships with private providers are not only lifting the standard of living throughout the world but enabling the agency to triple the money it invests in emerging economies, said Hill at a recent meeting of the Asia Society, a New York-based educational institute that promotes Asian culture.

"From an initial investment of \$2.1 billion in public funds, we have been able to leverage an additional \$5.8 billion in private funds and contributions," he said. "That's almost three private-sector dollars to every dollar of public funds."

Services, such as MTV donating airtime worth millions of dollars to fight human trafficking, for example, also account for much of the private investment. But even more, the partnerships bring fresh ideas, "innovative approaches, more effective problem solving" to development challenges, Hill added.

A wide variety of communities around the world have benefited from the agency's partnerships with the private sector. USAID-backed loans by local lenders in India have dramatically increased community water supplies and sanitation through government partnerships. In Vietnam, partnerships with Microsoft and other companies have given more than 12,000 students computer training at 64 learning centers. A \$50,000 grant from Coca Cola in Angola established a Junior Achievement chapter, a business education youth organization and a partnership with Michigan State University aims at improving Nicaragua's plantain crops, Hill explained.

"This is a profound and promising change in the way international development is both financed and conducted," said Henrietta Fore, USAID administrator. "In the community of national and international development agencies, USAID is the world leader in engaging the private sector-mobilizing its ideas, resources, skills and technologies."

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